



Identifying Individual Employer Contribution Rates

The unemployment insurance contribution rates for the following year are computed based on each employer's account status as of June 30--the computation date--and the past thirty-six (36) months payroll. In order to qualify for a merit rate or lower rate the following requirements must be met.

- D. (New Employer) The employer must have been covered by the Indiana Department of Workforce Development Act for thirty-six (36) consecutive months immediately preceding the computation date. If this requirement has not been met, the employer's rate cannot be less than 2.7%.
- E. The employer must have had some taxable or gross wages in each of the three (3) twelve-month periods immediately preceding the computation date. If this requirement is not met, the employer's rate cannot be less than 2.7%.
- F. The employer must file all required quarterly reports through the quarter immediately preceding the computation date, or pay the contributions, interest and/or penalty owed for these quarters within ten (10) days of the specific date requested by the Merit Rate Delinquency Notice, Form 1171, sent by certified mail. If this requirement is not met, the employer's rate shall not be less than 5.6%. This rate is divided into two parts, a computed tax rate and a penalty rate, which together equal 5.7 for the schedule "A". One percentage point of the rate, or the amount of the employer's payment that is attributable to the increase in the rate, whichever is less, is imposed as a penalty that is due. This is deposited into the Special Employment and Training Fund. When the total amount deposited into the fund exceeds \$1,500,000 during a program year, any additional amount collected is deposited in the unemployment insurance fund and credited pro rata to the experience accounts of the employers subject to the contribution.

Employers that meet the requirements A, B, or C then qualify for a system calculation based on their own merit and experience balance. Employers who fail to meet requirements A, B, or C are not eligible to make a voluntary payment.